

LAW OFFICES

STRANG, FLETCHER, CARRIGER, WALKER, HODGE & SMITH, PLLC

ROBERT KIRK WALKER
CARLOS C SMITH
WILLIAM C CARRIGER
RICHARD T HUDSON
FREDERICK L HITCHCOCK
EWING STRANG
LARRY L CASH *
CHRISTINE MABE SCOTT *
J ROBIN ROGERS # *
G MICHAEL LUHOWIAK
JAMES L CATANZARO, JR +
GREGORY D WILLETT
MARK W SMITH *
TIMOTHY H NICHOLS
OF COUNSEL
F THORNTON STRANG

REC'D IN
REGULATORY AUTH.
CHATTANOOGA, TENNESSEE 37402-2514
'98 FEB 18 PM 1 36
TELEPHONE 423-265-2000
FACSIMILE 423-756-5861

OFFICE OF THE
EXECUTIVE SECRETARY

February 12, 1998

S BARTOW STRANG
1882-1954
JOHN S FLETCHER
1879-1961
JOHN S CARRIGER
1902-1989
JOHN S FLETCHER, JR
1911-1974
ALBERT L HODGE
1910-1997

* ALSO LICENSED IN GEORGIA
ALSO LICENSED IN ALABAMA
+ ALSO LICENSED IN ARIZONA

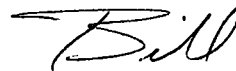
Mr. K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Application of the Electric Power Board of Chattanooga
for a Certificate of Public Convenience and Necessity
to Provide Intrastate Telecommunication Services —
Docket No. 97-07488

Dear Mr. Waddell:

We are enclosing original and thirteen copies of the
Electric Power Board's Response to Discovery Request of
NextLink Tennessee.

Sincerely yours,



William C. Carriger
For the Firm

WCC:cbm
177196
Enclosure
cc : Parties of Record

BEFORE THE TENNESSEE REGULATORY AUTHORITY REC'D TN
NASHVILLE, TENNESSEE REGULATORY AUTH.

IN RE: : '98 FEB 18 PM 1 36
: :
Application of Electric : OFFICE OF THE
Power Board of Chattanooga :
For a Certificate of Public : Docket No. 97-07488
Convenience and Necessity : EXECUTIVE SECRETARY
to Provide Intrastate :
Telecommunication Services :

RESPONSE TO DISCOVERY REQUEST OF NEXTLINK TENNESSEE

The Electric Power Board of Chattanooga ("Electric Power Board") responds to the Discovery Request of NEXTLINK Tennessee ("NEXTLINK"):

1. Please submit a copy of any business plans and feasibility studies developed by the Board for its telecommunications division.

RESPONSE AND OBJECTION: Neither its Board nor the management of the Electric Power Board have adopted a formal business plan for the telecommunications division with the exception of the general outline of the Electric Power Board's plans contained in the August 1997 Request for Proposal that it issued to telecommunications providers, which Request for Proposal the Electric Power Board agrees to make available to NEXTLINK at a mutually agreeable time and place. To the extent, however, this request asks for copies of more detailed plans or for studies conducted for the purpose of preparing such plans, the Electric Power Board objects on the grounds that NEXTLINK may use such information for competitive purposes rather than for the purposes of this proceeding. Such documentation would contain sensitive and proprietary information

that could place the Electric Power Board in a competitive disadvantage if it were in the hands of a potential competitor such as NEXTLINK.

2. Please provide a copy of any agreement between the Board and the Competitive Communications Group.

RESPONSE: The agreement between the Competitive Communication Group and the Electric Power Board has not been executed; but, as soon as it is, the Electric Power Board agrees to make a copy available to NEXTLINK, if it can be designated confidential and proprietary information and subject to a protective order.

3. Please provide detailed information on capital financing plans the Board will have in place to fund its new telecommunications division.

RESPONSE: Pursuant to Tennessee Code Annotated § 7-52-402 the Electric Power Board intends to ask approval of the State Director of Local Finance to allow the Board to internally lend to the telecommunications division up to 10 million dollars for the purposes of acquiring and constructing facilities and for providing working capital for the telecommunications division. The Electric Power Board shall charge the telecommunications division interest on the funds loaned at a rate equal to or greater than the highest rate earned by the Electric Power Board on invested electric plant funds. The Electric Power Board shall also obtain prior approval of the Tennessee Valley Authority for any such loan. The Electric Power Board, however, may enter into financing arrangements with

vendors as contemplated by the Request for Proposal, or for a portion of its capital requirements the Electric Power Board may elect to issue revenue bonds or enter into other financing vehicles to the extent permitted by law.

4. Please submit any agreement between Chattanooga Electric Power Board's electric division and its telecommunications division regarding the use of pole attachments and conduits.

RESPONSE: No agreement has been reached as yet between the electric division and the telecommunication division on the use of pole attachments and conduits, and the Electric Power Board does not anticipate that an agreement will be drafted until after this proceeding is concluded.

Respectfully submitted,

STRANG, FLETCHER, CARRIGER,
WALKER, HODGE & SMITH, PLLC

By: 

Carlos C. Smith, BPR #001710
William C. Carriger, BPR #001788
Mark W. Smith, BPR #016908
Attorneys for Electric Power
Board of Chattanooga
400 Krystal Building
One Union Square
Chattanooga, Tennessee 37402
(423) 265-2000

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and exact copy of the within and foregoing pleading on behalf of the Electric Power Board of Chattanooga, via United States mail, first class postage prepared and properly addressed to the following:

Dennis P. McNamee, Esquire
General Counsel
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Guy M. Hicks, General Counsel
BellSouth Communications, Inc.
333 Commerce Street
Suite 2101
Nashville, Tennessee 37201-3300

Val Sanford, Esquire
Gullett, Sanford, Robinson & Martin
P.O. Box 198888
Nashville, Tennessee 37219-8888

James P. Lamoureux, Esquire
AT&T Communications of the South Central States, Inc.
1200 Peachtree Street N.E.
Room 4060
Atlanta, Georgia 30309

Charles B. Welch, Jr., Esquire
Farris, Mathews, Gilman, Branam & Hellen, P.L.C.
2400 Nashville City Center
511 Union Street
Nashville, Tennessee 37219

Vance L. Broemel, Esquire
Assistant Attorney General
Consumer Advocate Division
Cordell Hull Building
Second Floor
425 Fifth Avenue, North
Nashville, Tennessee 37243-0500

Henry Walker, Esquire
Boult, Cummings, Connors & Berry
P.O. Box 198062
Nashville, Tennessee 37219

Dana Shaffer, Esquire
NextLink Tennessee, LLC
105 Malloy Street, Suite 300
Nashville, Tennessee 37201

Mr. Michael R. Knauff
Tennessee Power Company
4612 Maria Street
Chattanooga, Tennessee 37411

Jon E. Hastings, Esquire
Boult, Cummings, Conners & Berry
P. O. Box 198062
Nashville, Tennessee 37219

This 12th day of February, 1998.


Strang, Fletcher, Carriger,
Walker Hodge & Smith, PLLC